

Deluge Corporation Limited

(9DC SP / 9DC.SI)

Contract visibility meets a growing service profit base

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Investment Highlights

- **Conversion drives the earnings recovery.** We forecast revenue of S\$141.986m in FY27F and S\$184.978m in FY28F. The S\$433.040m September order book supports workload visibility, with timing and execution determining profit delivery.
- **Services support profitability.** Lifecycle Services revenue reaches S\$56.054m in FY29F. Our forecast allows gross-margin normalisation, while operating leverage lifts group EBITDA margin from 15.9% in FY27F to 17.2% in FY29F.
- **Funding strengthens capacity.** The S\$0.60 offer raises S\$20.130m net on 145m enlarged shares. Our model incorporates final IPO fees and a 25% underlying-profit payout for FY27–FY28; acquisitions add no base-case earnings.
- **Cash conversion is the key test.** Reported PATMI reaches S\$23.346m in FY29F. Certification, collections and replacement awards matter more than backlog size alone.

Valuation & Action.

We initiate with **OUTPERFORM** and adopt **S\$1.035** as our 12-month target, 72.5% above the S\$0.600 IPO reference. The DCF uses 12.0% WACC and 2.0% terminal growth.

Risks.

Principal risks are slower contract conversion, cost overruns, weaker service retention, delayed collections and concentrated ownership.

OUTPERFORM

IPO Price (S\$)	0.60
12M Target Price (S\$)	1.04
Upside / (Downside) (%)	72.5%
LISTING DATA	
IPO Date	16 Oct 2026
Shares for public offer	2,600,000
Shares for placement	23,400,000
Shares outstanding	145,000,000
Initial Market Cap (S\$mn)	87.0

Financials & Key Operating Statistics

YE Mar (S\$'000)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	139,755	116,662	141,986	184,978	192,762
Net Income	15,072	8,681	13,258	21,563	23,346
EPS (S\$ cents)	n.a.	n.a.	10.7	14.9	16.1
EPS growth (%)	n.a.	n.a.	n.a.	38.9%	8.3%
DPS (S\$ cents)	-	-	5.30	1.68	1.79
Dividend yield (%)	n.a.	n.a.	4.4%	6.2%	6.7%
Net Profit Margin (%)	10.8%	7.4%	9.3%	11.7%	12.1%
Net debt / equity (x)	61.1%	16.4%	(25.6%)	(23.8%)	(33.8%)
P/E (x)	n.a.	n.a.	6.6x	4.0x	3.7x
EV/EBITDA (x)	n.a.	n.a.	3.0x	2.1x	1.5x

Source: Company data, KGI Research estimates

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Company Background

Business segments

Deluge combines project engineering with the servicing of the systems it installs, giving investors exposure to both construction activity and the accumulated stock of protected buildings. The group designs, procures, prefabricates, installs, tests and commissions fire detection and protection systems, then provides inspection, maintenance, alterations and upgrades. Its three reported businesses are Integrated Projects, Lifecycle Services and Products Distribution. This distinction matters: installation creates the opportunity for subsequent service revenue but does not itself constitute a maintenance award. We assess the businesses separately because their revenue recognition, contract duration and exposure to customer capital expenditure differ.

Figure 1: Fire protection in an asset's lifecycle



Source: Company data, KGI Research

Figure 2: FY26A revenue segment

FY26A BUSINESS SEGMENTS					
Segment	Revenue S\$m	Revenue mix	Gross profit S\$m	GP mix	Gross margin
Integrated projects	77.646	66.6%	19.227	49.6%	24.8%
Lifecycle services	35.026	30.0%	18.593	48.0%	53.1%
Products distribution	3.990	3.4%	0.954	2.5%	23.9%

Source: Company data, KGI Research

Integrated Projects remains the largest source of sales and the main determinant of annual revenue volatility. Reported FY26A revenue was S\$77.646m, compared with S\$108.917m in FY25A, reflecting the timing of project execution. Its scope includes transport, industrial, offshore and marine fire systems alongside conventional buildings. LTA awards of S\$109.0m for the North-South Corridor (2022) and S\$73.5m for the Cross Island Line (2025) demonstrate its ability to secure technically demanding packages above the ME06 L5 S\$16m tender cap.

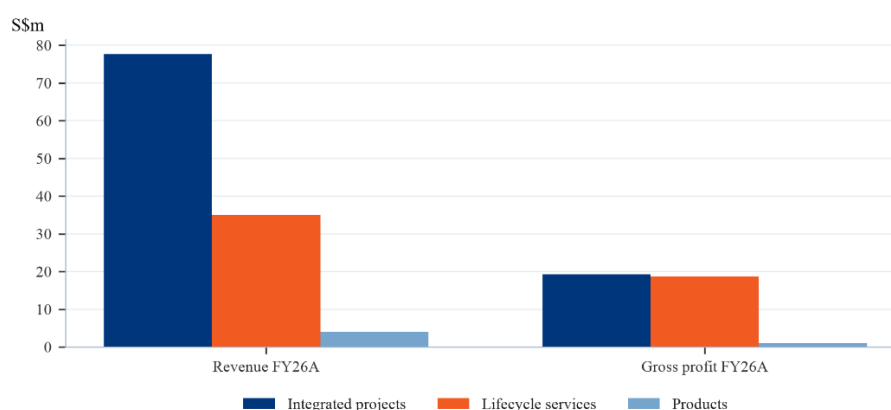
Figure 3: Deluge's mission-critical end-markets



Source: Company data, KGI Research

Lifecycle Services is the most important counterweight to project concentration but contains different sources of demand. FY26A revenue was S\$35.026m and gross profit S\$18.593m, compared with S\$77.646m and S\$19.227m respectively for Integrated Projects. Services generated almost as much gross profit as projects on a much smaller revenue base. However, the reported segment includes inspections and maintenance alongside additions and alterations, upgrades and consultancy. Some work is contracted over multiple years, some renews annually, and some is commissioned for a particular project. We regard this as a valuable service franchise whose recurring component must be distinguished from its shorter-duration engineering work.

Figure 4: Lifecycle services contribute disproportionately to gross profit



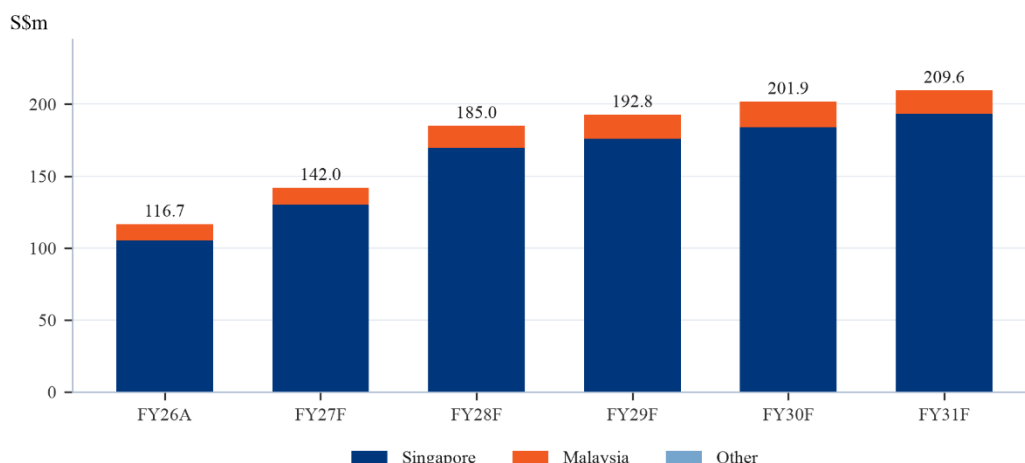
Source: Company data, KGI Research

Products Distribution is smaller but supports the breadth of Deluge's offering. Reported FY26A revenue was S\$3.990m, covering fire protection equipment, components and prefabricated pipes supplied to contractors, facility owners and industrial customers. The group's procurement and stocking capabilities can help project teams control availability and lead times, although we do not quantify an incremental purchasing discount or standalone procurement synergy. We therefore see distribution as an operational complement whose value is partly expressed through execution reliability; our estimates capture the business through its reported segment economics, without adding an unreported procurement saving.

A predominantly Singapore business with an established Malaysian footprint

Singapore remains the economic centre of the group. Reported FY26A Singapore revenue was S\$105.325m against total revenue of S\$116.662m, with Malaysia contributing S\$11.245m and other markets S\$0.092m. Domestic public infrastructure, the local building stock and the pace of project execution therefore have greater immediate relevance than a broad regional growth narrative. Malaysia adds project exposure and supports prefabrication, but the existing revenue base does not justify treating Deluge as an equal-weight Singapore–Malaysia business. We believe domestic project execution has the greater immediate influence on earnings, even as regional expansion broadens the opportunity.

Figure 5: We believe Singapore remains the principal earnings market



Source: KGI Research

The Malaysian presence has an operating history rather than beginning with the IPO. PDM was established in 1996 with the group's first prefabrication factory, and DFPMY followed in 2011 to provide engineering and mechanical and electrical services. Deluge's public project portfolio identifies completed fire-protection works for GDS Nusajaya Tech Park blocks A-C and an award for block D. At 31 March 2026, DFPMY's order book was S\$15.8m (3.8% of the group total), while it identified c.S\$28.9m of potential Malaysian projects to pursue over the next 12 months.

Ownership of the Malaysian project subsidiary also requires careful interpretation. Deluge holds 30% of DFPMY's voting equity but consolidates it because a shareholders' agreement gives the group authority over the activities that determine its returns. The remaining shareholder is contractually required to exercise voting rights in accordance with Deluge's directions. The company intends to establish a separate, 51%-owned entity with an unrelated Malaysian partner after listing, subject to partner selection and regulatory approval, while existing projects continue through DFPMY. Consolidation and economic ownership are therefore distinct, and a regional revenue increase should not automatically be equated with wholly attributable earnings.

Contract conversion and cash collection are separate operating tests

Deluge's order book provides workload visibility rather than a guaranteed annual earnings schedule. The reported balance was S\$410.810m on 31 March 2026 and S\$433.040m on 16 September 2026; the latter was expected to be primarily fulfilled over the following four financial years. The book comprises signed project contracts and maintenance and repair contracts, excluding unsigned tenders and revenue already recognised. By 16 September, S\$38.22m of the March book had been recognised as revenue, implying c.S\$60.45m of net additions and adjustments.

The contract process embeds both an entry barrier and an execution obligation. Customers or main contractors typically assess relevant grading, track record, specialist knowledge and manpower before inviting bids; government projects can use open tenders with qualifying criteria. Pricing is assembled from scope, materials, labour, subcontracting and overhead estimates. Once awarded, terms include the programme, contract sum, variation procedures, payment conditions, liquidated damages and defects obligations. Monthly claims are generally certified within 21 days before invoicing. Contract assets were S\$37.22m in FY25A and S\$31.45m in FY26A (26.6% and 27.0% of revenue). Deluge continues to monitor certification gaps on a project-by-project basis whilst scrutinising contract asset value % to total revenue.

Management & shareholding

Chairman Vincent Cheo provides strategic and business-development leadership and has more than 35 years of industry experience. Chief executive Lee Wai Wah joined Deluge in 1996, developed its offshore and marine operations and became group CEO in September 2026; he has been a registered professional mechanical engineer since 2004. Their experience is relevant to technical judgement, bidding and supplier and customer relationships. It also creates a key-person exposure: the prospectus identifies both executives as important to the network and expertise supporting the business. The investment case should therefore place value on organisational depth as well as individual experience.

Figure 6: Post-offering shareholder structure

EXPECTED POST-OFFERING DIRECT SHAREHOLDINGS		
Shareholder / category	Shares m	Direct holding
Vincent Cheo	69.953	48.2%
Lee Wai Wah	4.076	2.8%
Loh Ah Sian	1.514	1.0%
Donald Cheo	5.823	4.0%
Tony Khoo	4.076	2.8%
Ascend (including cornerstone)	3.546	2.4%
Wang Yu Huei (including cornerstone)	5.713	3.9%
Other cornerstone investors	20.570	14.2%
Offering (placement + public)	15.600	10.8%
Other post-offer holders	14.130	9.7%
Total	145.000	100.0%

Source: Final Prospectus, KGI Research

The wider governance structure combines finance, legal and engineering experience. CFO Fredrik Tan joined in April 2026 after finance roles at Tiong Woon and Sanli, including involvement in Sanli's listing. The three independent directors are lead independent director Jimmy Yim, an experienced disputes lawyer; Lee Bee Wah, an engineer with construction-sector experience; and Chiang Kheng Hong, whose background includes treasury and financial risk management. This gives the five-member board an independent majority. Its effectiveness will be tested through oversight of project estimates, capital deployment and related-party matters, particularly as the business moves into public reporting.

The final prospectus's ownership table implies continued substantial influence by the chairman after the offering. It records 69,952,770 shares, or 48.2% of the enlarged 145m-share capital, compared with 66.0% immediately before the offering. The CEO is shown at 2.8%, while the chairman's spouse, brother and nephew hold separate interests. The 48.2% figure reconciles the stated shareholding with enlarged capital. Concentrated ownership can align management with long-term value creation but makes independent scrutiny of related-party transactions and capital allocation particularly relevant.

The restructuring also changes the appropriate earnings comparison. FY26A reported attributable profit was S\$8.681m compared with pro forma attributable profit of S\$11.210m, reflecting the acquisition of minority interests and other restructuring adjustments. This uplift is not wholly an improvement in underlying operations. We use reported history to assess the operating record and the pro forma ownership structure to understand the economics of the listed group. Any earnings-growth claim must identify its starting basis; otherwise, an ownership change can be mistaken for operating leverage or organic growth.

Investment Thesis

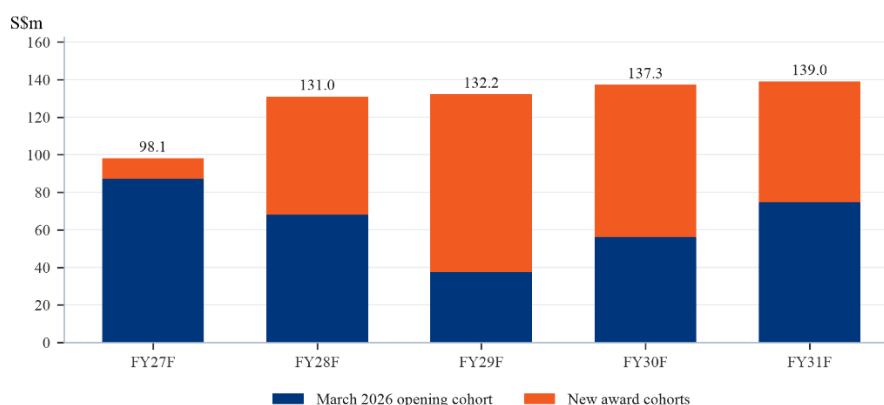
We see an earnings recovery supported by project execution, a growing service franchise and better absorption of overheads. Our forecasts take revenue from S\$141.986m in FY27F to S\$192.762m in FY29F, a 16.5% CAGR. The attraction is the combination of an identifiable contracted workload and operating capacity that can support a larger revenue base. The qualification is equally important: gross margins do not expand throughout the forecast, maintenance is only part of lifecycle revenue, and the working capital required to deliver projects delays the conversion of accounting profit into distributable cash. These are the central investment debates, rather than whether fire protection is an essential service.

Our positive view expects three observable outcomes. Existing projects must progress sufficiently to support the model's recognition schedule; lifecycle work must retain its earnings contribution even as its blended margin normalises; and the enlarged capital base must fund execution without repeated equity issuance. We do not require an acquisition to meet the base forecast. Nor do we assume that Deluge automatically captures a fixed share of every infrastructure or data-centre announcement. The model provides specific award, conversion and cost assumptions, which allow investors to distinguish an improving business from a more enthusiastic description of the same opportunity.

Contract conversion supports growth

The order book creates a credible starting point for growth. The model records S\$410.810m on 31 March 2026 and S\$433.040m on 16 September 2026, consistent with the prospectus. This is a substantial workload relative to FY26A revenue of S\$116.662m. It is not equivalent to revenue available for immediate recognition: the delivery programme spans several years, and a contract's value still must pass through engineering, procurement, installation, certification and collection. We therefore base the growth thesis on the annual project schedule rather than dividing the entire book by a chosen number of years. Our forecast shows the distinction between the opening book and revenue from new awards.

Figure 7: Our Integrated Project revenue forecast



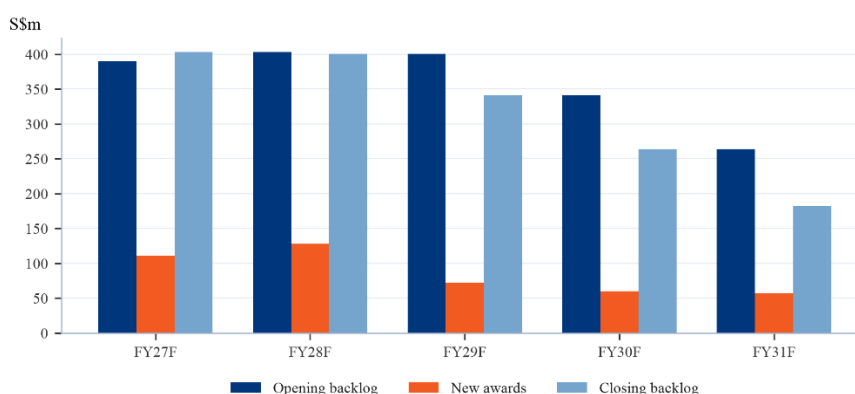
Source: KGI Research

Our FY27F integrated-project revenue forecast is S\$98.112m, rising to S\$130.971m in FY28F and S\$132.188m in FY29F. The shape is deliberate. The model recognises S\$77.515m and S\$9.480m from the opening Singapore and Malaysian project cohorts in FY27F, with the balance coming from newer awards. In FY28F, newer Singapore cohorts contribute S\$55.660m, compared with S\$10.000m in FY27F. This produces a pronounced acceleration without assuming an equally sharp increase in same-year tender wins. The investment implication is that evidence on mobilisation and construction progress can matter as much as the headline number of contracts announced.

New awards nevertheless remain necessary. Our model forecast assumes Singapore organic project awards of S\$100.000m in FY27F and S\$106.604m in FY28F. It recognises 10.0% of new awards in the award year in those periods, with the residual spread across later years. From FY29F, the same-year recognition assumption falls to 5.0%. Their value is that they make the growth forecast auditable: slower awards initially affect backlog, while weaker mobilisation can affect revenue more immediately. A forecast that treated the two as interchangeable would obscure where the operational risk actually sits.

The base case becomes more restrained after FY28F. Singapore award capture relative to the market is reduced by 50.0% in FY29F, and new Singapore awards fall to S\$54.647m. Revenue continues to grow because earlier cohorts are still being executed, and lifecycle services expand. This is why group growth decelerates to 4.2% in FY29F even though the earnings base remains above FY27F. The slower later-period assumptions are material to the investment case: we are not capitalising an uninterrupted tender boom. Our orderbook forecast shows the consequence for the closing project book, which declines as recognition eventually exceeds new awards as we risk-adjust new awards further out of the current financial year.

Figure 8: Our Integrated Project orderbook forecast



Source: KGI Research

The market opportunity is supportive, but market growth alone cannot validate the award budget. Public infrastructure creates demand for technically qualified contractors, while the prospectus describes Deluge's experience across transport, aviation and other complex sites. The commercial test remains whether this track record converts into signed, executable contracts at acceptable prices; identified tenders and management aspirations are not secured order book. A large national project can be split across packages, awarded to another contractor, delayed, or involve less addressable fire-protection work than its total construction value suggests. We therefore treat industry expenditure as a source of tender opportunities and retain our base capture assumptions.

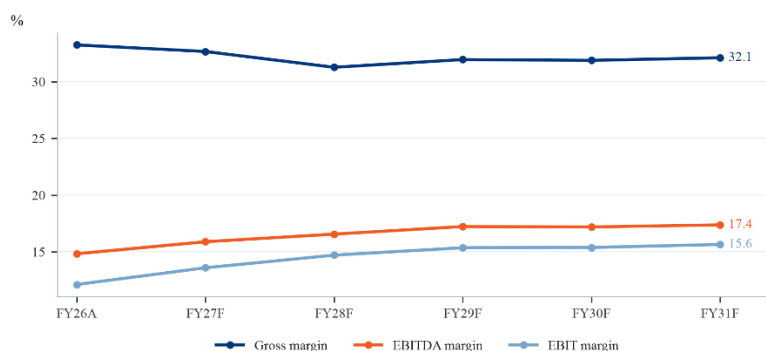
Malaysia provides additional exposure without dominating the forecast. Model revenue increases from S\$11.245m in FY26A to S\$16.931m in FY29F, compared with Singapore revenue of S\$175.832m in FY29F. The Malaysian project build separates the opening order book from new award cohorts, while lifecycle and product activity begin from smaller bases. That structure is preferable to applying a regional data-centre growth rate to the entire company. The opportunity is real at the industry level, but revenue still depends on project awards, local execution capability and the ability to carry working capital until payment.

We think the opportunity is better framed as a conversion debate than as a discovery of an unknown market. Investors can observe the disclosed order book and the public infrastructure pipeline. What may be under-appreciated is how the timing of different cohorts creates a stronger FY28F earnings base even when later award assumptions are conservative. That is our interpretation of the model and the appropriate evidence to support our forecast will be project progress, interim revenue, subsequent additions and cash collections.

Higher operating efficiency supports profits despite a normalising gross margin

The profitability thesis is more nuanced than a simple shift towards services. Lifecycle revenue rises from S\$39.623m in FY27F to S\$56.054m in FY29F, but its share of group revenue falls initially as project execution accelerates. Lifecycle services represent 27.9% of FY27F sales and 26.8% of FY28F sales before recovering to 29.1% in FY29F. Group gross margin consequently falls from 32.7% in FY27F to 31.3% in FY28F and recovers to 31.9% in FY29F. The model's earnings growth therefore depends on volume and overhead absorption as well as mix. Our model projects faster earnings growth is compatible with a lower gross margin.

Figure 9: Operating leverage offsets gross-margin normalisation

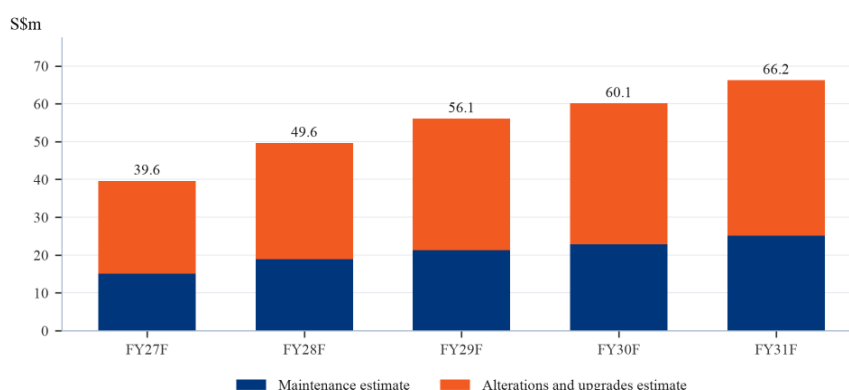


Source: KGI Research

The segment economics explain why lifecycle work matters. FY26A lifecycle gross profit is S\$18.593m on revenue of S\$35.026m, compared with project gross profit of S\$19.227m on revenue of S\$77.646m. A smaller revenue stream therefore contributes a similar amount of gross profit. In FY29F, lifecycle gross profit reaches S\$27.494m against project gross profit of S\$33.047m. As Deluge completes more installations, its installed base expands, creating opportunities for recurring maintenance, subsequent upgrades and eventual replacement. We therefore see project execution as both a near-term revenue driver and a source of future lifecycle earnings.

Indicative planning horizons of upgrades approximately every five years and replacement around every 20 years illustrate how completed projects can generate repeated work throughout an asset's life. Successive project cohorts broaden this opportunity, supporting recurring revenue growth and providing visibility into cyclical upgrade demand, subject to customer retention and asset condition. We distinguish scheduled maintenance from the wider lifecycle category. Our revenue build assumes recurring maintenance represents 38.0% of lifecycle revenue, with alterations and upgrades comprising the remainder. On this basis, recurring maintenance contributes S\$15.057m in FY27F and S\$21.301m in FY29F, while alterations and upgrades contribute S\$24.567m and S\$34.753m respectively. The expanding installed base should strengthen the service revenue foundation over time, although conversion depends on securing maintenance contracts, retaining customers and winning subsequent upgrade work.

Figure 10: Lifecycle revenue is split into recurring maintenance and one-off A&A



Source: KGI Research

Capital discipline can improve shareholder returns without relying on acquisitions

The IPO provides funding for a larger operating platform, but the allocation of that capital matters more than the amount raised. The model incorporates the final offer terms, fee treatment and share issuance. The public allocation is directed towards facilities and operational capabilities, strategic and regional initiatives, and business expansion and working capital. Those uses can support growth, but none automatically creates earnings. We judge the investment case through the cash required for delivery and the returns on that cash, with acquisitions contributing no forecast earnings in the base case.

Working capital is central to this assessment. The operating model assumes 78 days for current trade receivables, 125 days of contract assets relative to project revenue, and 30 days of inventory relative to cost of sales. Those balances are partly funded by trade and other payables and contract liabilities. A profitable project can therefore consume cash well before its earnings are distributed. This is a normal feature of the contract structure, but the magnitude and timing determine how much capacity remains for dividends and expansion.

Our preference is for organic reinvestment whose operational purpose can be tested. The model includes maintenance capex and identified facility and regional investment assumptions to account for prefabrication and operating-capability objectives indicated in Deluge's prospectus. We would assess execution against capacity utilisation, delivery productivity and cash returns rather than regard all capital expenditure as a growth catalyst. The model makes CAPEX trade-offs visible by separating capital expenditure from operating earnings and deducting it in the cash-flow valuation.

Acquisition capacity should be valued with discipline. The prospectus provides for strategic partnerships, acquisitions, joint ventures and regional expansion, but it does not establish the price, earnings contribution or integration cost of a completed future transaction. The base model therefore includes **no acquisition revenue or profit**. Potential transactions could add technical capability, service customers or geographic coverage, but the same cash cannot be counted as both unspent equity value and the funding for assumed acquired earnings. We would incorporate a transaction only once consideration, funding, ownership, timing and expected returns could be reconciled. Until then, M&A is an option on future execution rather than a necessary source of forecast growth.

Valuation & Peer Comparison

We initiate coverage with **OUTPERFORM** and a 12-month target price of **S\$1.035**, adopting our model's DCF fair value. The target is 72.5% above the S\$0.600 IPO price, which implies S\$87.000m of equity value on 145m enlarged shares. We see a favourable valuation gap if the forecast project conversion, service contribution and cash collection are delivered.

Valuation methodology

DCF is our primary method because earnings and cash generation follow different paths during the project ramp. A single-year earnings multiple captures neither the working capital required for mobilisation nor the cash released as contract cohorts mature. The model forecasts FY28F PATMI of S\$21.563m but operating cash flow of S\$12.732m, illustrating why the two measures should not be treated interchangeably. Discounting the cash-flow schedule also allows the final-period operating base to be normalised instead of capitalising a temporarily high revenue or collection year indefinitely.

The selected WACC is **12.0%** and terminal growth is **2.0%**. The selected WACC is intentionally a more demanding hurdle that recognises the uncertainty associated with a small contractor, project execution and long-dated cash flows.

Figure 11: DCF Model

DCF VALUATION S\$'000 Year ended 31 March	KGI forecast				
	2027	2028	2029	2030	2031
EBIT	19,304	27,207	29,618	31,056	32,798
Tax rate	18.0%	18.0%	18.0%	18.0%	18.0%
EBIT (1-T)	15,829	22,309	24,286	25,466	26,894
(+) D&A	3,257	3,429	3,596	3,645	3,620
(-) Change in NWC	(4,202)	(13,740)	(1,489)	(2,433)	(1,448)
(-) Cash capex and new leases	(3,016)	(3,712)	(4,020)	(3,611)	(3,757)
FCFF before IPO fees (netted in proceeds)	11,869	8,286	22,373	23,068	25,309
Free Cash Flow to Firm	11,869	8,286	22,373	23,068	25,309
Terminal value					135,561
Total FCFF to be Discounted	11,869	8,286	22,373	23,068	160,870
PV of Free Cash Flow	10,597	6,605	15,925	14,660	91,282
Enterprise Value	139,069				
(-) Debt, derivative and minority claim	19,741				
(+) PF cash and PV of net IPO proceeds	30,753				
Equity Value	150,081				
Diluted Shares Outstanding ('000)	145,000				
Fair Value / Share (S\$)	1.035				
IPO price (S\$)	0.600				
Upside	72.5%				

11.0%	1.084	1.108	1.134	1.164	1.198
11.5%	1.038	1.059	1.082	1.108	1.137
12.0%	0.996	1.015	1.035	1.057	1.082
12.5%	0.958	0.974	0.992	1.012	1.033
13.0%	0.923	0.937	0.953	0.970	0.989
	1.0%	1.5%	2.0%	2.5%	3.0%

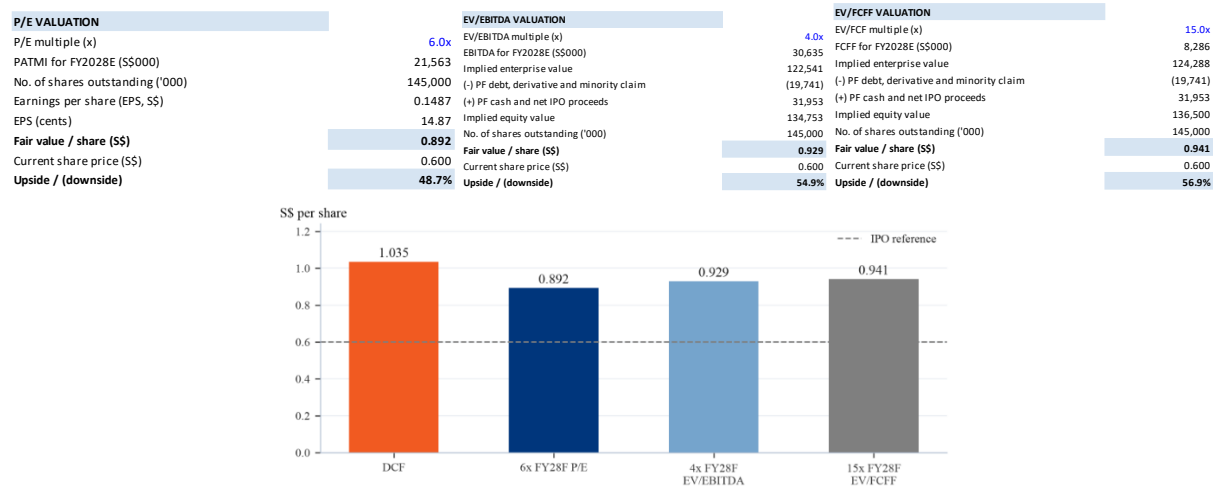
WACC

Terminal growth

Source: KGI Research

Our multiple cross-checks provide a separate view of the required earnings delivery. Our model's 6.0x FY28F P/E produces S\$0.892 per share, 4.0x FY28F EV/EBITDA produces S\$0.929, and 15.0x FY28F EV/FCFF produces S\$0.941. These are alternative valuation methods applied to the same operating base, rather than bear, base and bull scenarios. Their agreement on value above the offer price supports the rating, while their lower absolute results than DCF argue against treating the primary target as insensitive to methodology.

Figure 12: Multiples Valuation



Source: KGI Research

Peer comparison

The peer set spans Singapore engineering contractors, Malaysian mechanical and building-services groups, Japanese fire-safety businesses, and larger international controls and services companies. The selection tests several aspects of Deluge's economics: local project execution, regional expansion, specialist fire systems and the value of an installed service base. It does not establish a single homogeneous sector. Nordic, ISOTeam and Sanli provide local contractor references; AWC, Kelington and KITS broaden the regional comparison; Nohmi Bosai and the international groups introduce specialist and scaled service exposures. Different product content, geography and service intensity justify different multiples.

Figure 13: Peer Comparison

Ticker	Company	Last Price	Mkt Cap (\$m)	Div Yield (%)	Net Gearing (%)	P/E Current	P/E Fwd	EV/EBITDA Fwd 1Y	Rev Growth (%)	Gross Margin (%)	Net Margin (%)
DELUGE	Deluge Corporation	SGD 0.6	87.0	4.4	-25.6	10.0	6.6	3.0	-16.5	33.2	7.4
SINGAPORE											
ACRO SP	ACROMETA GROUP LTD	SGD 0.013	6.8	0.0	-40.8	N/A	N/A	N/A	-25.5	30.8	-101.8
NRD SP	NORDIC GROUP LTD	SGD 0.535	212.5	4.3	1.3	10.3	9.9	N/A	-3.2	26.4	12.4
ISO SP	ISOTEAM LTD	SGD 0.064	51.2	0.0	38.9	9.3	6.4	6.1	-11.3	18.3	4.6
SANLI SP	SANLI ENVIRONMENT LTD	SGD 0.115	39.5	0.9	69.4	14.6	7.2	11.1	-11.4	11.1	1.5
EGUH SP	EVER GLORY UNITED HOLDINGS	SGD 0.77	385.8	2.5	24.1	13.4	0.1	9.1	55.9	20.1	17.3
	SINGAPORE AVERAGE		139.2	1.5	18.6	11.9	5.9	8.8	0.9	21.3	-13.2
MALAYSIA											
AWCF MK	AWC BERHAD	MYR 0.675	71.1	1.0	-20.7	8.6	9.0	2.6	8.0	22.8	5.9
KGRB MK	KELINGTON GROUP BHD	MYR 9.12	2514.0	1.0	-44.6	44.2	40.5	19.5	0.2	21.5	11.8
KITS MK	KITS GROUP BHD	MYR 1.02	220.6	0.0	-34.8	32.0	30.0	12.4	54.2	24.8	8.5
	MALAYSIA AVERAGE		935.2	0.7	-33.4	28.3	26.5	11.5	20.8	23.0	8.7
JAPAN											
6744 JP	NOHMI BOSAI LTD	JPY 3915	1930.2	2.8	-28.5	16.2	16.0	8.1	4.5	37.5	9.8
6745 JP	HOCHIKI CORP	JPY 1969	1263.9	1.9	-37.1	15.1	N/A	N/A	4.9	39.4	8.9
	JAPAN AVERAGE		1597.1	2.4	-32.8	15.6	16.0	8.1	4.7	38.4	9.3
HONG KONG											
331 HK	FSE LIFESTYLE SERVICES LTD	HKD 5.15	377.9	7.1	-27.2	5.6	N/A	N/A	-2.8	13.1	5.3
	HONG KONG AVERAGE		377.9	7.1	-27.2	5.6	N/A	N/A	-2.8	13.1	5.3
UNITED STATES											
APG US	API GROUP CORP	USD 40.48	22383.4	0.0	63.4	N/A	23.5	14.8	12.7	31.4	3.8
EME US	EMCOR GROUP INC	USD 786.61	44395.2	0.2	-17.5	26.6	23.9	14.0	16.6	19.3	7.5
FIX US	COMFORT SYSTEMS USA INC	USD 1728.01	77814.3	0.2	-20.4	41.7	35.5	20.5	29.5	24.1	11.2
JCI US	JOHNSON CONTROLS INTERNATIONAL	USD 156.24	121093.8	1.4	83.5	36.1	30.7	18.8	2.8	36.4	13.9
	UNITED STATES AVERAGE		66421.7	0.4	27.2	34.8	28.4	17.0	15.4	27.8	9.1
FRANCE											
SPIE FP	SPIE SA	EUR 41.12	9996.6	2.2	75.2	23.0	13.3	7.7	4.8	N/A	1.7
	FRANCE AVERAGE		9996.6	2.2	75.2	23.0	13.3	7.7	4.8	N/A	1.7
	ALL PEERS AVERAGE		17672.3	1.6	5.3	21.2	18.9	12.1	8.8	25.1	1.4

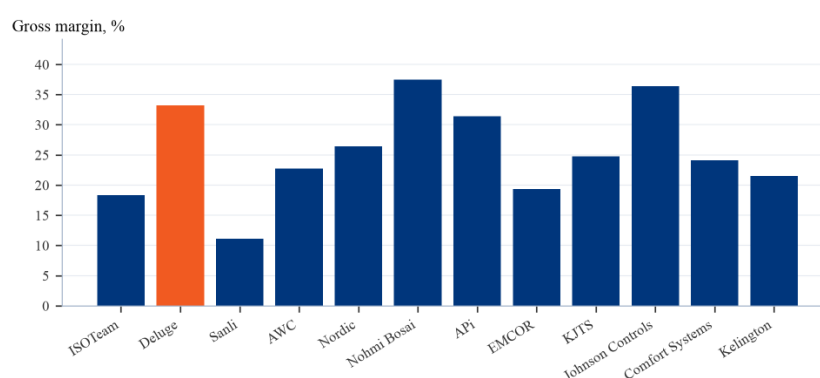
Source: Bloomberg consensus, KGI Research

Our comps sheet shows considerable dispersion. The Singapore peer average forward P/E is 7.8x (removing anomalies), compared with 26.5x for Malaysia, 16.0x for Japan, 28.4x for the US grouping and 13.3x for France. The all-peer average is 18.9x. We therefore use them as contextual comparisons and explicitly avoid presenting them as guiding quotations or a period-aligned consensus benchmark. A closely listed peer is necessary before drawing a precise current premium or discount.

At the S\$0.600 offer price, Deluge's revised forward P/E is 6.6x on FY27F reported earnings and enlarged closing shares. Its FY28F earnings base implies a lower multiple as the listing charge falls away, and operating profit grows. The 6.0x FY28F P/E cross-check is below the model's Singapore peer average, consistent with allowing for a new trading record, concentrated ownership, contract timing and working-capital intensity. We do not need to apply the international average to support the target. The larger valuation gap to global businesses is insufficient evidence, by itself, that a local contractor should trade on their multiples.

Margin comparisons also need economic interpretation. Deluge's reported gross margin benefits from Lifecycle Services, but the group still carries installation and upgrade exposure. A manufacturer with proprietary products, a service consolidator with recurring inspection contracts and an engineering contractor may report similar headline margins while requiring different capital and carrying different execution risks. We therefore assess margin persistence and cash conversion alongside the percentage.

Figure 14: Peer gross margins



Source: KGI Research

Macroeconomic Outlook

We see a supportive demand backdrop for fire-protection work, accompanied by material uncertainty over input costs and the timing of capital expenditure. The relevant macro variables affect different parts of Deluge's model: construction and infrastructure spending influence the tender opportunity; financing conditions affect customers' investment decisions and the cost of working capital; exchange rates influence imported equipment and Malaysian earnings translation. We do not mechanically apply a GDP forecast to group revenue. The company-specific bridge remains the order book, new awards, recognition schedule and segment margin assumptions. This distinction matters because a national investment cycle can be strong while an individual contractor experiences a slow period of revenue recognition.

Global growth & monetary policy

The IMF's July 2026 update projects global growth of 3.0% in 2026 and 3.4% in 2027. It describes uneven conditions in which technology investment supports some economies while geopolitical disruption and energy costs weigh on others. For Deluge, this supports a selective view of end-market demand. Infrastructure, data centres and industrial facilities can have different investment drivers from discretionary commercial development. The transmission is through project sanctioning and procurement rather than a uniform increase in every customer's budget. We use the IMF forecasts to frame that uncertainty; the operating forecast continues to depend on specific awards and conversion assumptions.

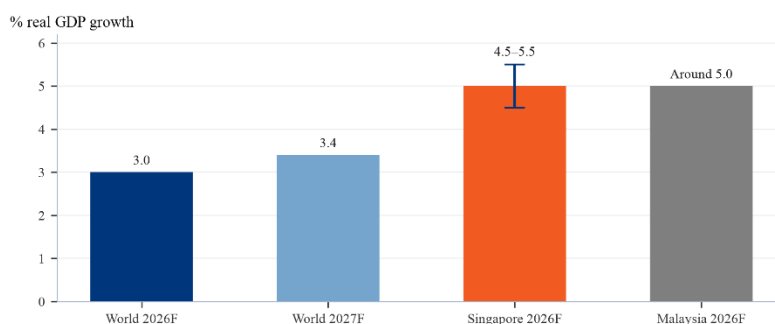
Financing conditions do not justify if every project benefits from a falling cost of capital. On 16 September 2026, the Federal Reserve raised its target range by 25 basis points to 3.75–4.00%, citing persistent inflation alongside solid activity. A higher global funding benchmark can affect the hurdle rates used by private developers and industrial investors, even where local borrowing rates differ. The practical risk is a longer approval process or a change in project sequencing. For Deluge, that would first affect tender timing and awards, then revenue as the delayed work reaches the recognition schedule. The model's WACC remains an explicit valuation assumption rather than a direct transcription of the Federal Reserve's policy rate.

The cost of capital also affects the value assigned to long-dated cash flows. Deluge's DCF contains both explicit-period operating cash flows and a normalised terminal value, so a change in discount rates can alter fair value even if near-term EPS is unchanged. This is distinct from the effect of interest expense in the income statement. A lower bank borrowing balance can reduce the company's financial costs, while a higher market-required return can still reduce its valuation. Investors should therefore read the earnings forecast and the WACC sensitivity together. The transmission to valuation is immediate; the transmission to revenue is mediated by customer decisions and contract timing.

Singapore-specific drivers

MTI upgraded its 2026 Singapore growth forecast to 4.5–5.5% on 11 August, following first-half growth of 6.1% and second-quarter growth of 5.9%. The release linked the stronger outlook to technology-related capital expenditure. This is useful evidence of demand conditions, but Deluge's opportunity depends on the type of assets built and the fire-protection packages available within them. The direct revenue transmission is through the number, value and timing of addressable projects; faster GDP alone does not establish a higher market share or a better project margin.

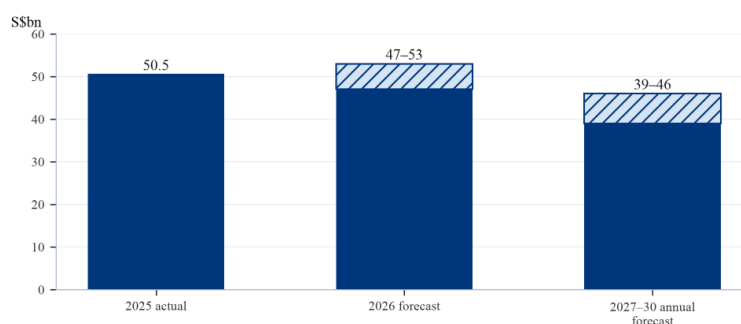
Figure 15: IMF growth forecast



Source: KGI Research

BCA's January outlook is the more direct construction reference. It forecasts S\$47–53bn of contracts awarded in 2026 and average annual demand of S\$39–46bn over 2027–2030. Certified construction output is projected at S\$43–46bn in 2026, compared with S\$41.7bn in 2025. Awards indicate future workload, while certified output measures a different stage of execution that is closer to the activity supporting contractor revenue. The distinction also explains why headline infrastructure commitments cannot be mapped directly into a single financial year's earnings.

Figure 16: Singapore construction awards



Source: Building and Construction Authority

The official outlook contains a useful restraint on terminal assumptions. A large development can raise activity for several years without producing the same level of awards indefinitely. Deluge's model consequently separates finite opening backlog from new awards and uses a normalised terminal cash flow. That structure makes the valuation less dependent on treating an unusually active construction period as permanent. The revenue transmission is strongest while projects progress through the relevant installation phases; the long-run earnings outcome depends on replacing completed work and developing the service base. An extended order book can improve visibility, but it does not remove the requirement to replenish it.

Digital infrastructure offers an additional opportunity, subject to resource and approval constraints. IMDA's Green Data Centre Roadmap aims to provide at least 300MW of additional capacity in the near term, with further growth supported by green-energy deployment. The policy is relevant because new facilities and subsequent upgrades require safety systems, but the capacity ambition is not a Deluge contract pipeline. We make no conversion from megawatts to issuer revenue without a project-specific scope and award. The transmission is an expanded tender pool for technically capable providers, conditional on facility development, package allocation and commercial execution.

Malaysia and ASEAN transmission

Bank Negara Malaysia's September statement expects 2026 growth around 5%, following 5.7% growth in the first half, and maintains the Overnight Policy Rate at 2.75%. Its assessment points to technology-related demand and domestic investment as supports, with geopolitical and commodity risks still present. This provides a favourable context for Deluge's Malaysian activity without requiring a broad ASEAN expansion assumption. The model continues to identify Malaysia separately and does not assign material forecast revenue to unspecified new countries. The transmission is through local project awards, service opportunities and the funding cost of execution.

The distinction between regional demand and company capture is especially important for smaller operations. A rapidly growing market can attract capacity, intensify competition and strain local labour and suppliers. Growth is valuable only if Deluge can win work at an adequate margin and collect the associated cash. We therefore examine Malaysian revenue alongside the model's country allocation, capex and award assumptions. Successful execution would provide an additional source of growth and operating experience; a slower build-out would leave Singapore as the principal earnings driver. The investment implication is selective regional optionality rather than a valuation that assumes immediate regional scale.

Across these variables, the practical monitoring sequence is consistent. We would first assess changes in public and private project timing, then inspect the effect on awards and mobilisation, and finally test margins and cash conversion against the model. A strong macro print cannot offset poor project execution, while a modest macro slowdown may have a delayed effect where work is already contracted. This is why our positive view is tied to operating evidence rather than a broad economic forecast. The principal downside transmission is slower conversion with continuing costs and working-capital commitments; the principal upside transmission is efficient execution followed by a larger service base.

Industry Outlook

Market size & growth

We see the fire detection and protection market as a combination of construction-linked installation and continuing expenditure on the installed asset base. The first depends on development programmes and execution timing; the second arises from inspection, maintenance, rectification and replacement requirements. Frost & Sullivan's industry study estimates the Singapore market at S\$1,401.6m in calendar 2025 and S\$1,905.7m in 2030, with a 5.8% CAGR over 2026E–2030F. These are commissioned industry estimates, not company revenue forecasts, but they support a market framework in which growth extends beyond new construction alone.

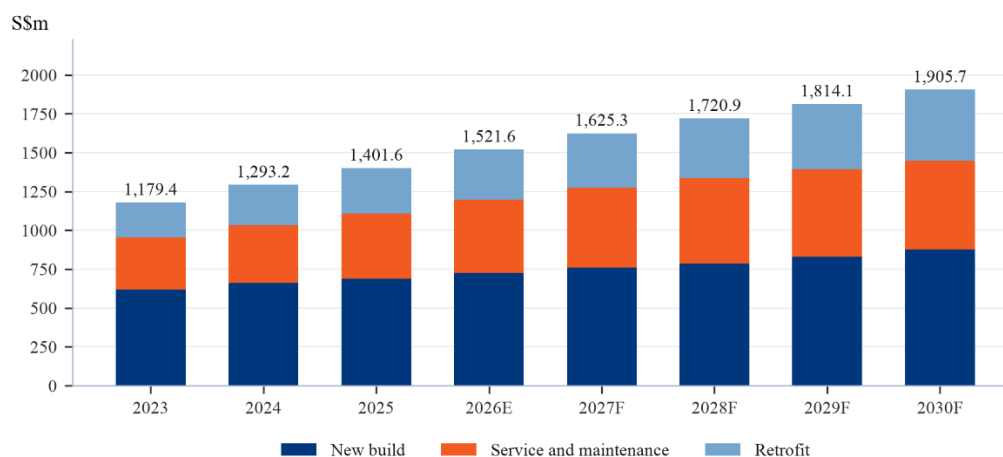
The addressable-market definition is important to the valuation argument. The study measures contractor-level revenue from design, supply, installation, testing, commissioning, inspection, maintenance and retrofit of active and passive systems. It excludes standalone equipment manufacturing where the manufacturer is not the installing contractor, insurance and risk advisory, and public firefighting operations. Consequently, equipment-industry market estimates or headline construction spending cannot be added to this contractor market without overlap. We use the study to characterise the demand pool available to a service and engineering provider, while retaining our segment forecasts as the direct source of earnings estimates.

The estimates also have practical limitations. Frost & Sullivan combines secondary material with expert and participant discussions under its Expert Opinion Consensus Methodology; company information was supplied by Deluge and was not independently diligenced by the consultant. This does not invalidate the analysis, but it does mean that market size and share are estimates rather than an audited census. We therefore use the industry series to test the direction and plausibility of the operating opportunity. They should not be treated as a precise measure of guaranteed revenue capture, or as a substitute for evidence of signed company contracts.

The service opportunity grows with the building stock

The industry mix provides a reason to separate newbuild activity from maintenance and retrofit. Frost & Sullivan estimates Singapore newbuild fire protection at S\$686.8m in 2025, service and maintenance at S\$420.5m and retrofit at S\$294.3m. By 2030, the respective estimates are S\$876.6m, S\$571.7m and S\$457.4m. Figure 22 shows that the absolute installation pool expands alongside a faster-growing retrofit opportunity. For Deluge, the implication is that project execution can enlarge the future service base while refurbishment offers an additional route to growth within existing assets.

Figure 17: Singapore fire detection and protection market by activity



Source: Frost & Sullivan, KGI Research

Installed-system knowledge can make the original or incumbent service provider more competitive when follow-on work is tendered. As-built drawings, commissioning records, maintenance history and site-specific operating knowledge reduce the information a contractor must reconstruct before taking responsibility for a system. That advantage can support continuity where the cost of service failure is high, but it is not an exclusive right to the customer's future spending. The prospectus explicitly states that maintenance customers need not renew. We see switching friction as an aid to retention and bidding economics, with the strength of the relationship ultimately demonstrated through renewal and service performance.

Fire-safety regulation supports the existence of recurring work but does not make every segment annuity-like. Designated buildings require certification and functioning systems, while inspections and maintenance continue through the building's operating life. A retrofit or alteration, however, remains a distinct procurement decision with scope, timing and pricing risk. This distinction is especially relevant to Deluge because its Lifecycle Services segment includes both recurring maintenance and A&A or upgrading. We would expect a larger contracted maintenance base to improve visibility but would not assign identical revenue persistence or cash-flow characteristics to every dollar reported within the segment.

Infrastructure supports demand, with a lag between awards and fire-system work

Transport, institutional and other technically demanding projects favour contractors able to coordinate design, installation and commissioning over an extended programme. Frost & Sullivan estimates transport and infrastructure represented S\$375.0m of Singapore's fire protection market in 2025, rising to S\$509.9m in 2030. This is a relevant demand pool for Deluge's capabilities, but the conversion from national construction awards into fire-system revenue is neither immediate nor uniform. The contractor must win the relevant package and perform the work. We see the public infrastructure programme as support for tender opportunity and workload duration, rather than a direct multiplier on next year's sales.

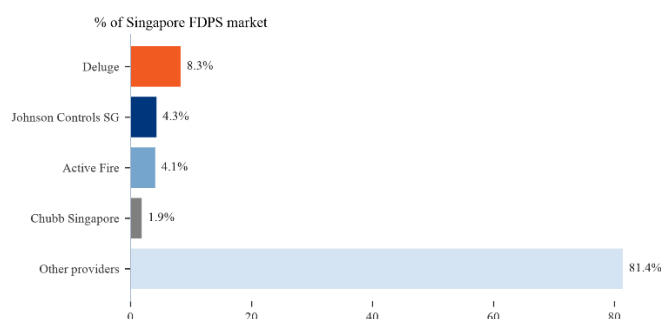
We retain a clear boundary between official construction forecasts and the consultant's own projections. The industry appendix explicitly identifies its 2026–2030 construction-award series as Frost & Sullivan estimates; these rise from S\$54,990.0m to S\$68,880.0m. These are consultant forecasts, separately identified from BCA guidance. The BCA outlook has a different range and time basis. That discrepancy matters because an overstated construction denominator would make aggressive company growth assumptions appear easier to achieve. We test our company forecasts against actual project cohorts, execution capacity and win rates, using external construction data as context.

Competitive landscape

The industry's entry barriers are strongest in the larger public-sector packages. L6 is the highest BCA ME06 grade and permits tendering without a contract-value ceiling, while the cited L5 limit is S\$16m. Higher grades require greater financial capacity, completed-project experience and technical personnel. This creates a qualification threshold that smaller firms cannot cross through low pricing alone. Deluge's operating subsidiary retains ME06 L6 status in the live BCA register, with expiry on 1 October 2029. We view that registration as access to an attractive part of the opportunity set, whose profitability still depends on commercial discipline.

Scale and qualification do not eliminate rivalry among the eligible contractors. Frost & Sullivan estimates Deluge's 2025 share at 8.3%, versus 4.3% for Johnson Controls' Singapore operation, 4.1% for Active Fire and 1.9% for Chubb Singapore. The remaining 81.4% spans other providers, including other L6 firms, so the residual includes providers operating across several qualification tiers. Deluge therefore still faces competitive bidding on major contracts despite its relative scale.

Figure 18: Singapore's fire protection market



Source: Frost & Sullivan, KGI Research

Competitors also have different economic models, which limits simple read-across from global valuation multiples. Manufacturers can compete through proprietary equipment and distributor relationships, integrated engineering groups through breadth and scale, and local specialists through access, technical competence and delivery. Deluge's strengths are its integrated design and delivery process, direct workforce, prefabrication and experience across several end-markets. We see these capabilities as relevant to cost control and reliability. They do not make Deluge economically identical to a global controls manufacturer or a service-heavy consolidator; peer interpretation needs to allow for differences in geography, product exposure and recurring revenue.

Productivity is a defence against fixed-price cost pressure

Prefabrication can improve control over the activity that a contractor would otherwise undertake on a constrained construction site. Deluge's off-site pipe fabrication, welding automation, robotic coating and digital engineering workflows. The potential benefit comes from more consistent production, better coordination and fewer site-labour demands. We treat productivity investment as a mechanism for protecting tender economics and execution capacity, whose financial contribution must emerge in the model's margin and cost assumptions rather than as an additional unsubstantiated earnings adjustment.

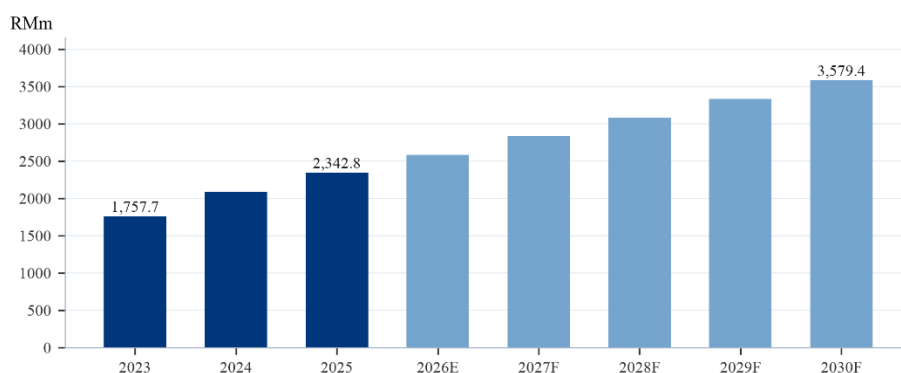
That discipline is necessary because fire protection contracts are commonly fixed-price and typically do not allow substantial cost increases to be passed through. Procurement and design savings can be offset by labour shortages, scope changes, rework or delayed access to the site. Deluge's disclosure of COVID-era onerous contracts demonstrates the downside of a mismatch between tender assumptions and realised costs. We see the durable competitive advantage as the ability to price risk accurately, procure reliably and monitor completion costs

throughout a project. A strong end-market can increase volume, but the resulting earnings benefit depends on avoiding underpriced growth.

Malaysia and data centres add options, with distinct competitive constraints

Malaysia offers a faster-growing industry opportunity. The addressable market in Malaysia rises from RM2,342.8m in 2025 to RM3,579.4m in 2030, with 8.5% growth measured over 2026E–2030F. Demand is linked to industrial and digital infrastructure, construction and continuing compliance requirements. Deluge's established facilities and project experience provide a route to participation, but the Malaysian market remains fragmented and commodity installation work faces pricing pressure. Faster industry growth therefore increases available opportunities without ensuring a superior margin for every contract.

Figure 19: Malaysia fire detection and protection market



Source: Frost & Sullivan, KGI Research

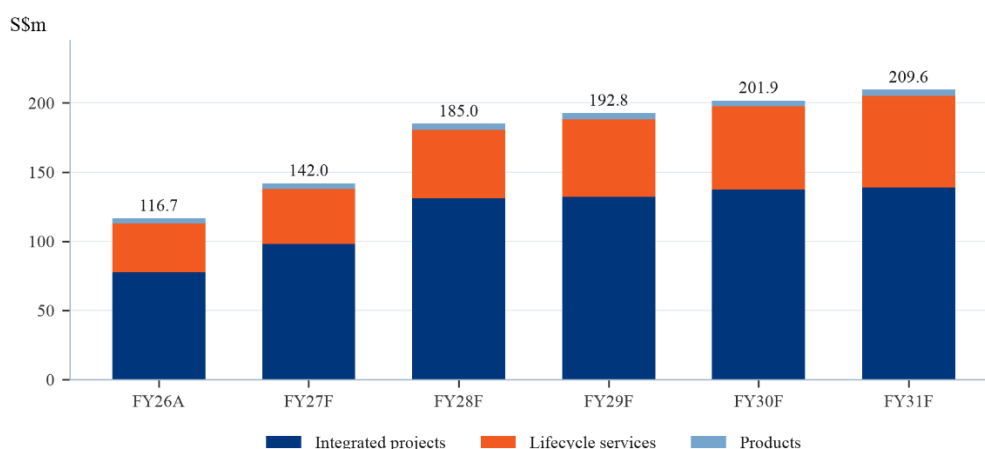
Data centres illustrate the distinction between attractive industry demand and company-specific revenue visibility. Sensitive equipment, operational continuity and early detection requirements can require specialised system design and gas-based or other suitable suppression solutions. Deluge has disclosed relevant capabilities and Malaysian project experience. Frost & Sullivan estimates Singapore data-centre-related fire protection at S\$58.9m in 2025 and S\$90.0m in 2030. Those figures support the sector's strategic relevance, but do not justify assigning the group a further extrapolation of unawarded contracts in our revenue forecast.

Company Outlook

Revenue forecast

We forecast revenue of S\$141.986m in FY27F, S\$184.978m in FY28F and S\$192.762m in FY29F, with the strongest increase occurring as project execution accelerates in FY28F. The model separates the conversion of the opening order book from revenue generated by new awards, then adds recurring maintenance, alterations and upgrades, and product sales. This is a more demanding earnings proposition than simply assuming that a large backlog converts evenly. Delivery requires site access, labour, equipment and customer coordination, while replacement awards must replenish work as existing contracts mature. Our model highlights the initial project ramp and the subsequent growth of lifecycle services.

Figure 20: Revenue by business segment



Source: KGI Research

Integrated Projects drives the initial increase. We forecast segment revenue of S\$98.112m in FY27F and S\$130.971m in FY28F, compared with S\$77.646m in FY26A, before growth moderates to S\$132.188m in FY29F. Our model allocates the March 2026 backlog between projects and services, then applies distinct recognition schedules to the opening Singapore and Malaysian work. Our Appendix shows our forecast of work performed, separating the contribution from opening contracts and newer awards.

New orders make a material contribution to the revenue build even with the existing backlog. The model assumes c.S\$100m of new Singapore organic project awards in FY27F and S\$106.604m in FY28F, with revenue recognised over separate award cohorts. Only part of a new contract is recognised during the award year; the remainder follows the execution schedule. This prevents an award announcement from being counted immediately as a full year's sales. It also makes the earnings forecast sensitive to both the value and timing of wins. A delay can leave the long-term opportunity intact while shifting earnings outside the target period.

The growth framework retains a clear boundary around optional contracts. Our model's sector allocation default case excludes unconfirmed major-project optionality. We also do not treat potential multi-year maintenance as signed backlog merely because Deluge has installation expertise. This keeps the forecast dependent on the existing delivery platform and explicitly assumed new business. Optionality could improve future earnings if contracts are announced on acceptable terms, but it is not required to explain the forecast revenue already included in the base case.

Lifecycle Services becomes increasingly important as initial project growth moderates. We forecast revenue of S\$39.623m in FY27F, S\$49.614m in FY28F and S\$56.054m in FY29F, reaching S\$66.221m in FY31F. The model separately estimates recurring maintenance and A&A or upgrade work. The recurring proportion is held at 38% of lifecycle revenue through the forecast period; that is our planning assumption. We therefore expect the business to contribute more absolute service earnings without implying that all lifecycle growth is recurring or that the segment becomes a pure annuity.

The maintenance build depends on retention, repricing and new contracts. The model assumes 96% annual renewal retention, a 2.5% increase in renewal pricing and a half-year contribution from new service wins in their first year. It also allows service attachment to eligible completed installations after the defects-liability period. These inputs produce a transparent operating test: execution of projects enlarges the opportunity set, but renewal and new service wins must turn that opportunity into fees.

Product distribution remains a modest contributor, with forecast sales of S\$4.251m in FY27F, S\$4.392m in FY28F and S\$4.520m in FY29F. The larger earnings question is therefore whether projects and services deliver, rather than whether a small products line expands faster. Geographic growth is similarly selective. Malaysian revenue rises from S\$11.245m in FY26A to S\$11.828m in FY27F and S\$15.574m in FY28F, while Singapore remains the dominant source of sales. We see regional activity as diversification and an execution opportunity, with the model retaining the scale of the established domestic business.

Margin & profitability outlook

Our forecast does not require an uninterrupted expansion in gross margin. The model assumes a group gross margin of 32.7% in FY27F, 31.3% in FY28F and 31.9% in FY29F, compared with 33.2% in FY26A. The initial dilution reflects the mix of project and lifecycle revenue and the separate margin paths of each business. Revenue growth can therefore support higher gross profit even when the percentage margin softens. This distinction matters to the investment thesis: the company must convert a larger workload into earnings, while avoiding the assumption that scale automatically increases profitability on every contract.

Integrated Projects margins are forecast at 25.5% in FY27F, 24.5% in FY28F and 25.0% thereafter. The decline during the strongest revenue-growth year deliberately limits the benefit attributed to the workload ramp. Tender price, project complexity, procurement and execution costs can all affect the outcome, and most contracts do not allow large cost increases to be passed through automatically. We see prefabrication and design capability as tools for protecting the assumed margin, rather than a separate unquantified source of upside. BCA's Smart FM initiatives favour data-driven inspection, monitoring and planned maintenance, potentially expanding the service opportunity around completed installations further strengthens our defensible margin forecast. The margin outlook now depends on disciplined monitoring of individual projects' estimated cost to complete.

Lifecycle Services remains more profitable at the gross level, but we forecast its blended margin to normalise from 53.1% in FY26A to 51.4% in FY27F, 49.9% in FY28F and 49.1% in FY29F. The products margin is held at 23.0%. These segment assumptions contribute to the group margin path. This approach gives the higher-margin services activity an important role in earnings without extrapolating its FY26A margin indefinitely. It also recognises that the segment includes both recurring maintenance and project-like alterations. The quality of growth will be demonstrated by service retention and cash collection alongside the margin, rather than by a single favourable mix outcome.

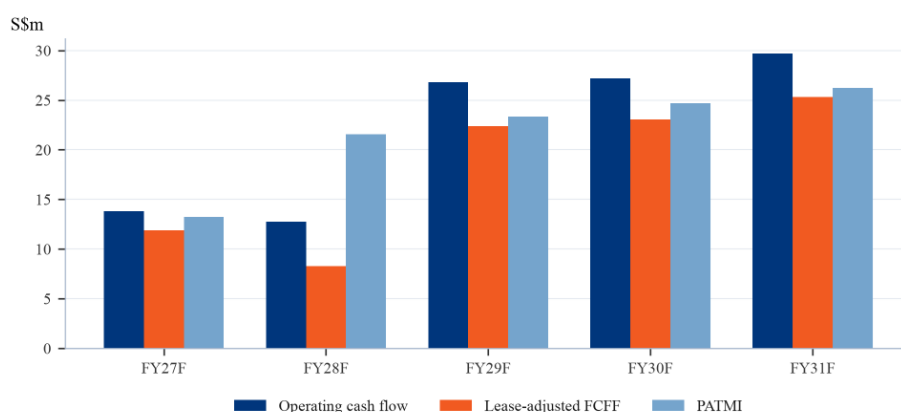
Below gross profit, the financial model incorporates operating costs, depreciation, financing and the IPO expense rather than applying a fixed net margin to revenue. We forecast FY27F reported attributable profit of S\$13.258m and underlying attributable profit of S\$15.248m, the difference reflecting the listing charge included in earnings. FY28F attributable profit is S\$21.563m. We distinguish this one-off accounting effect from the operating progress of the business and distinguish both from the change in minority ownership captured by the FY26A pro forma accounts.

Capital deployment

The registered offer provides additional capital for investment and project execution. The final prospectus specifies S\$23.400m gross proceeds and S\$20.130m net proceeds after estimated cash listing expenses, allocated across facilities, strategic transactions and business expansion. These are sources of funding and spending envelopes rather than immediate operating revenue. Our facilities programme, acquisition reserve and working-capital assumptions are funded within those proceeds. We would assess subsequent deployment against the earnings and cash returns it generates, with no acquisition profit included merely because capital has been set aside.

Working capital is likely to be the most important near-term test of the growth programme. Materials and mobilisation costs can precede customer certification and collection, and the FY28F project acceleration increases the amount of activity that must be financed. We forecast operating cash flow of S\$13.822m in FY27F and S\$12.732m in FY28F.

Figure 21: Cashflow vs PATMI



Source: KGI Research

We expect capital expenditure to support delivery capacity, while maintaining a separate distinction between expenditure, funding and reserves. Forecast cash capex is S\$1.516m in FY27F and S\$1.912m in FY28F; these are model assumptions informed by the IPO allocation. The final prospectus describes potential investment in infrastructure and operational facilities but does not turn every prospective asset into a completed transaction. Similarly, a strategic-investment reserve represents capacity to act; its earnings contribution remains contingent on an identifiable opportunity, price, funding structure and execution.

The dividend forecast follows the earnings and distribution assumptions rather than a guaranteed cash return. The public intention is to distribute 25% of attributable profits excluding non-recurring and one-off items for FY27F and FY28F, subject to the stated dividend factors. We forecast DPS of 2.629 Singapore cents for FY27F and 3.718 Singapore cents for FY28F. Cash needs, capital expenditure and financing restrictions remain relevant to the Board's decision.

Key Risks

We highlight the principal risks to our investment thesis and target price. Investors should monitor these closely as material deviations could lead us to revisit our recommendation.

Operational risks

- Project timing is the most immediate forecast risk. We regard some variation in execution schedules as likely in a business that coordinates contractors, customers and regulatory approvals; the earnings impact depends on the affected contract, its margin and the duration of the delay. FY28F project revenue assumes a substantial increase to S\$130.971m, so delayed access, commissioning or resource mobilisation could shift recognition into later periods. The order book mitigates the risk of insufficient workload, but not the risk of delayed delivery. We would watch project revenue, contract assets and certified collections together, rather than interpreting backlog growth alone as proof that the earnings timetable is intact.
- Cost overruns can have a more persistent effect than a timing shift. We assess the exposure as material because fixed-price contracts normally limit cost recovery and Deluge has disclosed onerous contracts associated with COVID-era cost escalation. The base case assumes project gross margins of 25.5% in FY27F and 24.5% in FY28F; these are performance requirements, not contractual guarantees. Tender review, procurement planning, prefabrication and periodic cost-to-complete updates provide mitigants but cannot eliminate an unexpected labour or materials shock. Repeated cost overruns would undermine confidence in the forecast even if revenue continued to grow.
- Cash conversion remains a material operating risk even if reported earnings rise. We regard collection volatility as plausible given progress claims, retentions and customer approval processes. Longer collection periods or a larger contract-asset balance could consume liquidity and reduce the cash available for investment and dividends. The prospectus identifies improvements to budgeting, forecasting and balance-sheet reconciliations and describes historical supplier-payment delays; these require monitoring without implying accounting misconduct. The IPO adds funding capacity but does not remove the need to convert certified work into cash. Receivable ageing, collection after period end and financing headroom are therefore important checks on earnings quality.

Market & macro risks

- New awards could fall short if construction demand weakens or competitors bid more aggressively. We regard this as a continuing commercial risk rather than evidence that the existing backlog will disappear. The forecast assumes replacement orders beyond the March 2026 book and subsequent revenue from those awards; weaker tender success could affect both near-term execution and the later service opportunity. Exposure to public infrastructure and multiple sectors reduces reliance on one type of private development, while mature-building maintenance provides a separate demand source. Neither mitigant guarantees the value or profitability of replacement work.
- Inflation, exchange rates and financing conditions can affect costs before customers change their capital-spending plans. We consider adverse cost movements plausible, particularly where procurement is international and pricing is fixed at tender. Malaysian expansion also introduces local execution and currency exposure, although Singapore remains the larger revenue base. The earnings effect depends on the currencies of procurement, financing and customer receipts, including the extent of any natural offsets. Margin resilience therefore depends on tender discipline, purchasing decisions and the available protection within individual contracts.

Regulatory & ESG risks

- Licence loss, serious system failure or a safety incident would have a high potential impact although no statistical probability is available. BCA grading and specialist personnel are central to tender eligibility, while fire-system performance affects life safety and customer operations. DFPSEA's live register shows ME06 L6 registration to October 2029, reducing the immediate uncertainty around the previously disclosed renewal. Ongoing compliance, training, testing, supplier warranties and insurance are mitigants, not complete protection. We would reassess the investment case if a regulatory or quality event restricted bidding or created material rectification liabilities.

Stock-specific risks

- The stock will initially lack an established trading record, and ownership remains concentrated. The final prospectus table gives Vincent Cheo 48.2% of enlarged capital, while the proposed offer and cornerstone holdings have distinct ownership and lock-up considerations. We regard liquidity and price volatility as plausible risks for a newly listed company, but do not infer free float from the public-offer percentage. A further source of risk is capital deployment: the IPO permits investment and transactions, while the return depends on the assets acquired and their integration. Independent oversight and transparent use-of-proceeds reporting are therefore important mitigants.

Financial Summary

INCOME STATEMENT (\$'000)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	139,755	116,662	141,986	184,978	192,762
Cost of sales	(97,278)	(77,888)	(95,619)	(127,142)	(131,181)
Gross profit	42,477	38,774	46,367	57,836	61,581
Admin employee costs	(11,503)	(13,574)	(15,165)	(17,457)	(18,274)
Other admin costs	(6,674)	(8,100)	(8,714)	(9,689)	(10,015)
Other operating items	(62)	201	74	(55)	(78)
EBITDA	24,238	17,301	22,561	30,635	33,214
Depreciation & amortisation	(2,964)	(3,158)	(3,257)	(3,429)	(3,596)
Operating profit (EBIT)	21,274	14,143	19,304	27,207	29,618
Net finance income / (cost)	(1,667)	(1,479)	(919)	(580)	(438)
IPO / other exceptional items	-	-	(1,990)	-	-
Profit before tax	19,607	12,664	16,395	26,626	29,180
Tax expense	(1,711)	(864)	(2,758)	(4,527)	(5,252)
Minority interests	(2,824)	(3,119)	(379)	(537)	(581)
Net profit (PATMI)	15,072	8,681	13,258	21,563	23,346
EPS, reported / weighted cents	303.45	174.78	10.71	14.87	16.10
DPS (\$ cents)	-	-	2.63	3.72	4.03

CASH FLOW STATEMENT (\$'000)	FY25A	FY26A	FY27E	FY28E	FY29E
Profit before tax	19,607	12,664	16,395	26,626	29,180
Depreciation & amortisation	2,964	3,158	3,257	3,429	3,596
Working capital changes	(14,184)	1,056	(4,202)	(13,740)	(1,489)
Tax paid	(1,436)	(983)	(2,758)	(4,527)	(5,252)
Other operating items	2,217	2,448	1,129	943	797
Operating cash flow	9,168	18,343	13,822	12,732	26,832
Capex	(1,208)	(402)	(1,516)	(1,912)	(1,820)
Acquisitions / disposals	-	-	-	-	-
Other investing items	-	800	-	-	-
Investing cash flow	(1,208)	398	(1,516)	(1,912)	(1,820)
Net debt drawdown / (repayment)	1,512	(9,054)	(2,500)	(2,500)	(2,500)
Dividends paid	-	-	(3,812)	(5,391)	(5,837)
Equity issuance / (buyback)	-	-	22,120	-	-
Other financing items	(7,721)	(3,796)	(3,635)	(3,291)	(3,086)
Financing cash flow	(6,209)	(12,850)	12,173	(11,181)	(11,423)
Net cash change incl. FX	1,734	5,901	24,479	(362)	13,589
Opening CF cash	6,406	8,140	11,823	36,302	35,940
Closing CF cash	8,140	14,041	36,302	35,940	49,529

BALANCE SHEET (\$'000)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash and deposits	13,770	17,687	39,948	39,586	53,175
Inventories	6,054	6,642	7,859	10,450	10,782
Trade & other receivables	28,530	31,454	37,809	49,257	51,330
Contract assets / tax	37,263	31,467	33,622	44,875	45,292
Current assets	85,617	87,250	119,238	144,169	160,579
Property, plant & equipment	3,563	3,524	4,182	5,066	5,691
Intangibles / goodwill	161	125	90	55	20
ROU / other NC assets	13,632	12,161	11,295	10,729	10,563
Non-current assets	17,356	15,810	15,567	15,850	16,274
Total assets	102,973	103,060	134,805	160,019	176,854
Trade / contract payables	30,099	29,189	34,965	46,517	47,850
ST debt and leases	25,017	16,572	9,736	7,280	4,964
Other current liabilities	1,779	2,270	2,270	2,270	2,270
Current liabilities	56,895	48,031	46,971	56,067	55,084
LT debt and leases	7,741	5,573	5,493	5,170	5,188
Other non-current liabilities	17	13	13	13	13
Non-current liabilities	7,758	5,586	5,506	5,183	5,201
Total liabilities	64,653	53,617	52,477	61,251	60,285
Shareholders' equity	30,284	39,155	81,165	97,337	114,847
Minority interests	8,036	10,288	1,163	1,431	1,722
Total equity	38,320	49,443	82,328	98,769	116,569

KEY RATIOS & VALUATION	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue growth (%)	23.5%	(16.5%)	21.7%	30.3%	4.2%
Gross margin (%)	30.4%	33.2%	32.7%	31.3%	31.9%
EBITDA margin (%)	17.3%	14.8%	15.9%	16.6%	17.2%
Net profit margin (%)	10.8%	7.4%	9.3%	11.7%	12.1%
ROE (%)	66.5%	25.0%	20.3%	24.2%	22.0%
ROA (%)	19.3%	11.5%	11.6%	15.0%	14.2%
Net debt / equity (x)	0.6x	0.2x	(0.3x)	(0.2x)	(0.3x)
Net debt / EBITDA (x)	1.0x	0.5x	(0.9x)	(0.8x)	(1.2x)
Dividend payout / underlying PATMI (%)	-	-	25.0%	25.0%	25.0%
P/E (x)	n.a.	n.a.	6.6x	4.0x	3.7x
EV/EBITDA (x)	n.a.	n.a.	3.0x	2.1x	1.5x
P/NAV (x)	n.a.	n.a.	1.1x	0.9x	0.8x
Dividend yield (%)	n.a.	n.a.	4.4%	6.2%	6.7%

Source: Company, KGI Research estimates

Appendix Model Schedules

Figure 22: Revenue by operating line and geography

March year end	Unit	FY24A	FY25A	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F
Integrated projects	S\$'000	76,735	108,917	77,646	98,112	130,971	132,188	137,259	138,979
Lifecycle services	S\$'000	31,581	28,174	35,026	39,623	49,614	56,054	60,102	66,221
Products distribution	S\$'000	4,883	2,664	3,990	4,251	4,392	4,520	4,492	4,376
Operating lines by geography									
Singapore integrated projects	S\$'000	64,134	95,094	66,423	87,515	117,448	118,151	123,081	127,443
Malaysia integrated projects	S\$'000	12,601	13,823	11,223	10,596	13,523	14,037	14,178	11,537
Singapore lifecycle services	S\$'000	30,904	27,743	34,934	38,435	47,630	53,251	56,496	61,585
Malaysia lifecycle services	S\$'000	—	—	—	1,189	1,985	2,803	3,606	4,635
Products distribution	S\$'000	4,883	2,664	3,990	4,251	4,392	4,520	4,492	4,376
Other lifecycle markets	S\$'000	677	431	92	—	—	—	—	—
Revenue by operating line	S\$'000	113,199	139,755	116,662	141,986	184,978	192,762	201,854	209,577
Geographic revenue									
Singapore revenue	S\$'000	99,921	125,501	105,325	130,158	169,404	175,832	183,957	193,273
Malaysia revenue	S\$'000	12,601	13,823	11,245	11,828	15,574	16,931	17,896	16,303
Other revenue	S\$'000	677	431	92	—	—	—	—	—

Source: KGI Research

Figure 23: Singapore fire systems market by activity and sector

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
New installation market	S\$m	670.1	624.6	660.4	668.0	692.6	691.7	672.6	657.7
Recurring service market	S\$m	437.2	437.2	463.6	491.7	520.7	550.8	580.9	610.3
Alteration, upgrading and replacement market	S\$m	288.0	288.0	304.9	322.8	341.0	359.8	378.7	397.2
Total modelled fire systems market	S\$m	1,395.3	1,349.8	1,428.9	1,482.5	1,554.2	1,602.3	1,632.2	1,665.3
Modelled market by end sector									
Transport and infrastructure	S\$m	222.6	232.7	259.1	276.2	304.5	325.5	339.5	356.2
Data centres	S\$m	28.2	28.2	31.7	37.7	46.1	50.7	44.5	37.6
Semiconductor facilities	S\$m	38.5	44.5	48.5	66.4	65.0	60.4	58.2	62.5
Health, education and other institutions	S\$m	333.7	307.1	345.8	348.2	328.1	313.3	315.0	317.7
Residential	S\$m	385.8	375.4	375.1	370.0	384.6	404.1	412.4	420.3
Commercial	S\$m	233.9	208.6	205.3	230.6	260.9	259.1	256.2	258.8
Oil, gas and chemical facilities	S\$m	37.0	37.2	39.7	37.4	40.2	46.0	50.1	51.6
Other industrial buildings	S\$m	115.5	116.1	123.8	116.0	124.8	143.2	156.3	160.7

Source: KGI Research

Construction Awards and Execution

Figure 24: Construction awards and execution assumptions

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Residential	S\$bn	15.3	15.7	11.8	12.5	13.0	13.0	13.0	13.0
Commercial	S\$bn	5.4	2.2	6.4	5.5	5.0	4.5	4.5	4.5
Industrial	S\$bn	5.0	7.1	5.0	6.0	6.5	6.5	6.0	5.5
Institutional and other buildings	S\$bn	11.8	16.1	14.4	9.0	8.5	8.0	7.5	7.0
Civil engineering	S\$bn	7.1	9.3	12.5	11.0	10.0	12.0	12.0	12.0
Total construction awards	S\$bn	44.6	50.4	50.1	44.0	43.0	44.0	43.0	42.0
Total construction output	S\$bn		41.7	44.5	46.0	47.0	46.0	45.0	44.0
Execution timing assumptions									
Execution weight: award year	%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Execution weight: next year	%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Execution weight: second year	%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Prior-cohort inputs — calendar 2023									
2023 awards: residential	S\$bn			13.2					
2023 awards: commercial	S\$bn			3.6					
2023 awards: industrial	S\$bn			4.6					
2023 awards: institutional	S\$bn			5.5					
2023 awards: civil	S\$bn			7.2					

Source: KGI Research

Figure 25: Construction execution by award cohort

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Residential weighted execution	S\$bn	15.3	14.8	14.8	13.1	12.4	12.9	13.0	13.0
Commercial weighted execution	S\$bn	5.4	4.2	4.0	5.0	5.7	5.1	4.7	4.5
Industrial weighted execution	S\$bn	5.0	5.3	6.0	5.8	5.8	6.4	6.4	6.1
Institutional and other buildings weighted execution	S\$bn	11.8	10.8	14.5	13.8	10.5	8.6	8.1	7.6
Civil engineering weighted execution	S\$bn	7.1	7.6	9.3	11.2	11.3	10.7	11.4	12.0
Total weighted awards	S\$bn	44.6	42.6	48.6	48.9	45.6	43.5	43.5	43.1
Scale to construction output	x	1.0	1.0	0.9	0.9	1.0	1.1	1.0	1.0
Construction activity after output scaling									
Residential construction activity	S\$bn	15.3	14.4	13.5	12.3	12.8	13.6	13.4	13.3
Commercial construction activity	S\$bn	5.4	4.1	3.7	4.7	5.8	5.3	4.8	4.6
Industrial construction activity	S\$bn	5.0	5.2	5.5	5.5	6.0	6.7	6.6	6.2
Institutional and other buildings construction activity	S\$bn	11.8	10.5	13.3	13.0	10.8	9.0	8.3	7.7
Civil engineering construction activity	S\$bn	7.1	7.4	8.5	10.6	11.6	11.3	11.8	12.3

Source: KGI Research

Installation and Installed Systems

Figure 26: Fire-system intensity assumptions

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Residential fire intensity	%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Commercial fire intensity	%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Institutional fire intensity	%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Other industrial fire intensity	%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hazardous industry share of residual industry	%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Hazardous industry fire intensity	%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Other civil fire intensity	%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Figure 27: New fire installation by sector

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Transport and infrastructure	S\$m	108.6	118.7	136.3	143.3	161.0	170.0	171.5	175.4
Data centres	S\$m	17.6	17.6	19.8	24.2	30.8	33.0	24.2	15.4
Semiconductor facilities	S\$m	22.0	28.0	29.9	45.4	40.5	32.8	28.0	30.0
Health, education and other institutions	S\$m	153.8	127.2	156.8	148.2	117.5	94.1	88.8	84.6
Residential	S\$m	183.7	173.3	162.6	147.6	153.0	163.1	161.4	159.3
Commercial	S\$m	107.8	82.4	73.2	93.2	116.8	106.8	96.2	91.9
Oil, gas and chemical facilities	S\$m	18.1	18.2	19.3	15.6	17.2	21.7	24.2	23.9
Other industrial buildings	S\$m	58.5	59.1	62.6	50.5	55.7	70.2	78.4	77.3

Source: KGI Research installation market estimates

Figure 28: Installed fire systems replacement-value assumptions

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Annual nominal price inflation	%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Annual stock retirement	%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Installed stock / annual installation assumptions									
Transport and infrastructure	x	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Data centres	x	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Semiconductor facilities	x	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Health, education and other institutions	x	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Residential	x	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Commercial	x	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Oil, gas and chemical facilities	x	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Other industrial buildings	x	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0

Source: KGI Research

Installed Systems and Recurring Services

Figure 29: Installed systems and recurring service market

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Closing installed system replacement value									
Transport and infrastructure	S\$m	1,628.6	1,754.6	1,898.7	2,050.6	2,220.8	2,400.8	2,583.1	2,770.1
Data centres	S\$m	140.8	159.0	179.5	204.6	236.3	270.3	295.8	312.5
Semiconductor facilities	S\$m	220.0	249.0	280.0	326.6	368.6	403.0	432.8	464.8
Health, education and other institutions	S\$m	2,768.2	2,907.9	3,077.7	3,239.7	3,371.8	3,481.2	3,585.6	3,686.3
Residential	S\$m	3,674.4	3,864.2	4,044.2	4,210.0	4,381.9	4,564.7	4,746.6	4,927.2
Commercial	S\$m	1,940.4	2,031.6	2,113.9	2,216.7	2,343.5	2,460.8	2,568.1	2,671.6
Oil, gas and chemical facilities	S\$m	271.0	290.5	311.1	328.1	346.8	370.1	395.9	421.6
Other industrial buildings	S\$m	877.6	940.6	1,007.5	1,062.5	1,123.0	1,198.3	1,282.1	1,365.2
Annual service yield assumptions									
Transport and infrastructure	%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Data centres	%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Semiconductor facilities	%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Health, education and other institutions	%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Residential	%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Commercial	%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Oil, gas and chemical facilities	%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Other industrial buildings	%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Recurring services market									
Transport and infrastructure	S\$m	73.3	73.3	79.0	85.4	92.3	99.9	108.0	116.2
Data centres	S\$m	7.0	7.0	8.0	9.0	10.2	11.8	13.5	14.8
Semiconductor facilities	S\$m	11.0	11.0	12.4	14.0	16.3	18.4	20.2	21.6
Health, education and other institutions	S\$m	110.7	110.7	116.3	123.1	129.6	134.9	139.2	143.4
Residential	S\$m	110.2	110.2	115.9	121.3	126.3	131.5	136.9	142.4
Commercial	S\$m	77.6	77.6	81.3	84.6	88.7	93.7	98.4	102.7
Oil, gas and chemical facilities	S\$m	12.2	12.2	13.1	14.0	14.8	15.6	16.7	17.8
Other industrial buildings	S\$m	35.1	35.1	37.6	40.3	42.5	44.9	47.9	51.3

Source: KGI Research

Appendix Replacement, Data Centres and Semiconductors

Figure 30: Alterations, replacement and renewal assumptions

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Transport and infrastructure	S\$m	40.7	40.7	43.9	47.5	51.3	55.5	60.0	64.6
Data centres	S\$m	3.5	3.5	4.0	4.5	5.1	5.9	6.8	7.4
Semiconductor facilities	S\$m	5.5	5.5	6.2	7.0	8.2	9.2	10.1	10.8
Health, education and other institutions	S\$m	69.2	69.2	72.7	76.9	81.0	84.3	87.0	89.6
Residential	S\$m	91.9	91.9	96.6	101.1	105.2	109.5	114.1	118.7
Commercial	S\$m	48.5	48.5	50.8	52.8	55.4	58.6	61.5	64.2
Oil, gas and chemical facilities	S\$m	6.8	6.8	7.3	7.8	8.2	8.7	9.3	9.9
Other industrial buildings	S\$m	21.9	21.9	23.5	25.2	26.6	28.1	30.0	32.1
Renewal assumptions									
Equivalent renewal cycle	Years	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Systems value renewed per cycle	%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%

Figure 31: Data-centre capacity and fit-out assumptions

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
CFA2 publicly allocated capacity	MW			200.0					
CFA2 capacity fitted out in calendar year	MW	–	–	–	20.0	60.0	80.0	40.0	–
Other SG capacity fitted out, estimate	MW	80.0	80.0	90.0	90.0	80.0	70.0	70.0	70.0
Total SG fit-out equivalent	MW	80.0	80.0	90.0	110.0	140.0	150.0	110.0	70.0
SG construction and M&E per MW, excluding IT	S\$m / MW	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Fire systems share of construction / M&E	%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
SG data-centre new fire market	S\$m	17.6	17.6	19.8	24.2	30.8	33.0	24.2	15.4
DC construction removed from industrial pool	S\$b	0.9	0.9	1.0	1.2	1.5	1.7	1.2	0.8

Figure 32: Semiconductor cleanroom area and construction phasing

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Micron announced ultimate cleanroom	sq ft			700,000.0					
Gross space / cleanroom area, estimate	x	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Micron fire installation phasing	%	–	–	10.0%	40.0%	35.0%	15.0%	–	–
Fire systems cost per gross square metre	S\$ / sqm	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0
Micron + other semiconductor installation	S\$m	22.0	28.0	29.9	45.4	40.5	32.8	28.0	30.0
Semiconductor construction removed from industry	S\$b	0.6	0.8	0.9	1.3	1.2	0.9	0.8	0.9
Other fabs and expansion fire packages, estimate	S\$m	22.0	28.0	24.0	22.0	20.0	24.0	28.0	30.0
Fire / eligible semiconductor construction	%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Source: KGI Research

Appendix Transport and Fiscal Year Alignment

Figure 33: Transport programmes and other civil works

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
CRL1/Punggol awarded fire package, public	S\$m			73.5					
CRL1/Punggol annual fire execution, estimate	S\$m	–	–	5.0	10.0	16.0	20.0	17.0	5.5
JRL/TEL/CCL and depots fire work, estimate	S\$m	45.0	50.0	50.0	45.0	35.0	30.0	25.0	25.0
CRL2/CRL3/extensions new fire work, estimate	S\$m	–	–	2.0	5.0	10.0	15.0	22.0	30.0
Roads, utilities and ports fire packages, estimate	S\$m	60.0	65.0	75.0	78.0	82.0	75.0	65.0	60.0
Rail, road, utility and port fire installation	S\$m	105.0	115.0	132.0	138.0	143.0	140.0	129.0	120.5
Share of civil output in named programmes	%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
T5 fire package execution: calendar-year share	%	–	–	–	–	5.0%	10.0%	15.0%	20.0%
T5 remaining execution beyond 2031	%			50.0%					
T5 market installation, all contractors	S\$m	–	–	–	–	12.2	24.4	36.6	48.8
T5 construction removed from institutional pool	S\$bn	–	0.8	1.2	1.6	1.8	1.8	1.5	1.2
Residual civil fire work	S\$m	3.6	3.7	4.3	5.3	5.8	5.7	5.9	6.1

Source: KGI Research

Figure 34: March year-end markets used in the sales build

March year end	Unit	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Preceding calendar-year weight	%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
FY new installation	S\$m	670.1	658.7	633.6	662.3	674.1	692.4	686.9	668.9
FY recurring services	S\$m	437.2	437.2	443.8	470.6	498.9	528.2	558.3	588.3
FY alteration / retrofit	S\$m	288.0	288.0	292.3	309.4	327.4	345.7	364.5	383.4
FY transport installation	S\$m	108.6	111.1	123.1	138.0	147.7	163.2	170.4	172.4
FY data-centre installation	S\$m	17.6	17.6	18.2	20.9	25.9	31.4	30.8	22.0
FY semiconductor installation	S\$m	22.0	23.5	28.5	33.7	44.2	38.6	31.6	28.5
FY health / institutional installation	S\$m	153.8	147.1	134.6	154.6	140.5	111.7	92.8	87.7
FY total SG fire market	S\$m	1,395.3	1,383.9	1,369.6	1,442.3	1,500.4	1,566.2	1,609.8	1,640.5
FY other installation markets	S\$m	368.1	359.3	329.2	315.0	315.9	347.5	361.3	358.2
Installation growth	%		(1.7%)	(3.8%)	4.5%	1.8%	2.7%	(0.8%)	(2.6%)
Service growth	%		–	1.5%	6.0%	6.0%	5.9%	5.7%	5.4%
Retrofit growth	%		–	1.5%	5.9%	5.8%	5.6%	5.5%	5.2%
FY transport installation excluding T5	S\$m	108.6	111.1	123.1	138.0	144.7	148.0	143.0	132.8

Source: KGI Research

Appendix Malaysia Construction and Installation

Figure 35: Malaysia construction and data-centre assumptions

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Residential work done, Q2 2026	RMbn			10.9					
Non-residential work done, Q2 2026	RMbn			14.0					
Civil work done, Q2 2026	RMbn			16.7					
Special trades, excluded from additive base	RMbn			6.2					
Residential growth after 2026	%	—	—	—	6.0%	5.0%	5.0%	4.0%	4.0%
Non-residential growth after 2026	%	—	—	—	10.0%	10.0%	8.0%	7.0%	6.0%
Civil growth after 2026	%	—	—	—	4.0%	4.0%	4.0%	4.0%	4.0%
Annualised construction and data-centre assumptions									
Residential annualised work	RMbn	37.4	40.4	43.6	46.2	48.5	51.0	53.0	55.1
Non-residential annualised work	RMbn	48.0	51.9	56.0	61.6	67.8	73.2	78.3	83.0
Civil annualised work	RMbn	57.3	61.9	66.8	69.5	72.3	75.1	78.1	81.3
Malaysia DC fit-out equivalent, estimate	MW	120.0	180.0	220.0	240.0	260.0	260.0	240.0	220.0
Malaysia construction / M&E per MW	RMm / MW	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Malaysia DC fire intensity	%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%

Source: KGI Research

Figure 36: Malaysia new fire installation market

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Data-centre fire installation	RMm	84.5	126.7	154.9	169.0	183.0	183.0	169.0	154.9
Residual non-residential construction	RMbn	44.2	46.1	49.0	53.9	59.4	64.9	70.6	76.0
Semiconductor share of residual non-residential	%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Hazardous plants share of residual non-residential	%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Residential fire intensity	%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Semiconductor fire intensity	%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Hazardous plant fire intensity	%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other non-residential fire intensity	%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Civil fire intensity	%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Residential fire installation	RMm	336.4	363.3	392.4	415.9	436.7	458.6	476.9	496.0
Semiconductor fire installation	RMm	198.8	207.4	220.3	242.6	267.5	291.9	317.8	341.8
Oil, gas, chemical fire installation	RMm	106.0	110.6	117.5	129.4	142.7	155.7	169.5	182.3
Commercial, institutional, other industrial	RMm	457.6	477.5	507.2	558.6	615.8	672.0	731.7	787.0
Transport and other civil fire installation	RMm	171.8	185.6	200.4	208.4	216.8	225.4	234.4	243.8
Total Malaysia installation	RMm	1,355.1	1,471.2	1,592.7	1,724.0	1,862.5	1,986.5	2,099.3	2,205.8

Source: KGI Research

Appendix Malaysia Markets and External Benchmarks

Figure 37: Malaysia installed systems, services and retrofit

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
Installed system value / annual installation	x	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Malaysia annual service yield	%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Malaysia upgrade cycle	Years	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Value renewed per cycle	%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Installed-system value and service markets									
Malaysia installed system value proxy	RMm	16,261.2	17,805.5	19,478.4	21,290.0	23,248.3	25,339.5	27,552.8	29,882.6
Malaysia recurring services	RMm	569.1	569.1	623.2	681.7	745.2	813.7	886.9	964.3
Malaysia retrofit	RMm	325.2	325.2	356.1	389.6	425.8	465.0	506.8	551.1
Total Malaysia fire market	RMm	2,249.5	2,365.5	2,572.0	2,795.3	3,033.4	3,265.2	3,493.0	3,721.2
March year-end installation and currency conversion									
FY Malaysia installation market	RMm	1,355.1	1,384.1	1,501.5	1,625.5	1,758.6	1,893.5	2,014.7	2,125.9
Planning MYR per SGD, not spot FX	RM / S\$	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
FY Malaysia installation in S\$	S\$m	410.6	419.4	455.0	492.6	532.9	573.8	610.5	644.2

Figure 38: Public Frost and Sullivan benchmarks

Calendar year	Unit	2024	2025	2026	2027	2028	2029	2030	2031
F&S SG total	S\$m	1,293.2	1,401.6	1,521.6	1,625.3	1,720.9	1,814.1	1,905.7	n.a.
F&S SG new installation	S\$m	661.1	686.8	724.7	759.8	783.0	829.9	876.6	n.a.
F&S SG services	S\$m	371.8	420.5	471.7	512.0	550.7	562.4	571.7	n.a.
F&S SG retrofit	S\$m	260.3	294.3	325.2	353.5	387.2	421.8	457.4	n.a.
F&S Malaysia total	RMm	2,089.6	2,342.8	2,581.6	2,833.6	3,084.6	3,329.7	3,579.4	n.a.
Difference between model and external benchmark									
Model less F&S Singapore total	S\$m	102.1	(51.8)	(92.7)	(142.8)	(166.7)	(211.8)	(273.5)	
Model less F&S Malaysia total	RMm	159.9	22.7	(9.6)	(38.3)	(51.2)	(64.5)	(86.4)	

Source: KGI Research, Frost and Sullivan

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